

Annual Report

BKR International

2016

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MESSAGE FROM THE WORLDWIDE CHAIR



Happy New Year!

On behalf of the BKR International Worldwide Board I want to wish you, your family, and your associates a happy, healthy, and prosperous new year. 2015 was certainly an exciting year for our association. We added eight new members, and the attendance at our Annual Worldwide Meeting in Paris was beyond our expectations. For the fifth consecutive year we presented BKR Scholarship Awards, this year in Paris to two deserving accounting students studying at Pantheon-Sorbonne University. We continued to use the interactive panel formats we introduced last year in San Francisco for our regional reports, as well as the media discussions, to allow more robust interchange about all of the current events around the world, both within and outside of the accounting profession. The speakers, breakout sessions, and certainly the social events all were extremely well received. Then, you can imagine just how stunned I was a week later when I learned of the terrorist attacks that were occurring in Paris. We immediately reached out to our member firms and, thankfully, everyone was safe though admittedly shaken. Our thoughts and prayers continue to go out to the victims of these heinous acts.

One of our major successes in 2015 has been in India. Asia Pacific Executive Director Stephen Roger (Sydney) and I met in January with our member firms in New Delhi, Kolkata, and Mumbai, where we gave presentations, attended client receptions, and generally promoted BKR International and our members. Our Indian firms formed two committees to help with recruitment and publicity, which have been very successful. As a result, we added three new members in India, and I want to thank the Indian firms for going above and beyond the call of duty. We continue to add members in China and will now shift our focus to other areas in the Asia Pacific Region, as well as to Africa in the EMEA Region.

Your Worldwide Board continued to fund the marketing efforts in all three regions. We have greatly increased the name recognition of BKR as shown by the number of times our members and professional staff are interviewed for articles in various publications, the number of potential new members who contact us about joining our association, as well as our member feedback. Shimon Yarel (Tel Aviv), our board liaison for marketing, is in regular contact with the regional executive directors to be sure we continue to maximize the opportunities to get BKR's name in front of the public.

This year we are going to take a slightly different approach to the funding we use to subsidize the regions. Instead of earmarking them for specific projects, each region will receive funds based on the worldwide dues generated by that region. The use of those funds will be determined by the respective regional boards with final approval given by the Worldwide Board. That way, those closest to the issues in each region -- that region's board -- can determine the best use of the subsidy provided by the Worldwide Board.

I have no doubt that 2016 will be another outstanding year. Your Worldwide Board will be holding its next meeting in Havana, Cuba, the benefits of which should be exponential: to be proactive in raising the awareness of BKR International, to establish relationships with our accounting colleagues there, and to explore possible business opportunities for our clients. Our 2016 regional meetings kick off with Asia Pacific's in Perth, Australia, after which several of us have again been invited to speak at the University of Technology's annual IFRS conference in Yogyakarta, Indonesia. This will be closely followed by the Americas Regional Meeting in Toronto, and then EMEA's in Vienna. We have an outstanding line-up of speakers, presentations, social activities, and networking opportunities that you will not want to miss. And, this year's highlight is sure to be our Annual Worldwide Meeting in Santiago, Chile, one of the most geographically diverse countries in the world!

As always, if you have any suggestions that will make BKR more responsive to your needs, please do not hesitate to let any of the executive directors, or me, know. Your Worldwide Board is here to serve you. We need your input, as well as your participation, to continue to make BKR THE leading association for accountants and business advisors in the world.

I look forward to seeing you at one or more conferences in the next year.

Kindest regards,

A handwritten signature in black ink that reads "Howard M. Rosen". The signature is written in a cursive, flowing style.

Howard M. Rosen, Chair
BKR Worldwide Board

MESSAGE FROM THE AMERICAS REGIONAL CHAIR



Happy New Year from BKR's Americas Region, which consists of 52 firms in North America, three in Central America, and nine in South America. Last year we welcomed one new member firm in Manchester, New Hampshire, and, unfortunately, lost two – in Hickory, North Carolina, and Denver, Colorado, which merged into a large regional firm. Consolidation remains widespread in the United States, and succession planning continues to be a top priority for public accounting firms in our region.

The other significant issue facing the profession is the shortage of qualified and properly trained staff. The millennial generation will not simply put their heads down and work. This generation is looking for personal development and obtaining a sense of accomplishment and satisfaction in their work. Our region is aggressively implementing programs in this arena.

We organized two successful training programs for upper level tax staff in Philadelphia, the goal of which was to provide not only top-notch training and development, but to give our staff the opportunity to network and learn from their BKR peers around the country, without being recruited away by their local peers. Both sessions were rated very highly by the participants. This year we plan to expand the program by adding audit training. BKR's Leadership Institute class of 2016 will graduate in May and, as a result of continued demand for leadership development, we will likely begin a new class in 2016 as well. Much of BKR's leadership has come through these programs, which provide a great early introduction to the benefits of networking within the profession. Our region's annual meeting in May will feature consultants and various breakout sessions to help us better understand the new generation of accountants and what we need to do to help them be happy and successful in our firms.

In the finance arena, the Americas Region achieved its long term financial goal of having six months in operating reserves, and implemented a simplified dues structure, which reduced member reporting since it is now tied into our region's annual statistical survey.

Our 23 practice groups continue to thrive, and last year we added two new ones for Assurance Services (audit best practices) and Corporate Finance/M&A, which has expanded internationally and currently includes members from eight countries. Each practice group is given a budget for in-person meetings with guest speakers, quarterly conference calls, webinars, and/or to purchase brochures and marketing materials. We continued our work with Ingenuity Marketing Group to help increase name recognition for BKR, and we've been successful in having more than a dozen articles published and members quoted throughout the year in the leading CPA publications. We're regularly posting and tweeting as well, further increasing our social media visibility, both in and outside of the profession.

Our annual meeting will be held May 20-24, 2016, in Toronto, Ontario, Canada. Venues are strategically chosen to be sure that we vary the locations throughout the Americas Region – our 2015 meeting in Philadelphia was the largest in our region's history, and in 2017 we will be meeting in Louisville, Kentucky, right after the famous "Kentucky Derby." In 2018, we will be heading to the Caribbean Islands visiting the Dominican Republic. In all locations, the host firm is encouraged to get its entire firm involved in many of the sessions and events to learn about BKR and the benefits of having peers around the world. The host firm also gets a unique opportunity to increase its name recognition in the local community through hosting a client reception during the meeting, and also in working with a local college to select a deserving accounting student to receive BKR's Annual Scholarship Award.

I would like to wish you all a happy and successful new year, an easy busy season, and to thank my fellow board members and the chairs of our practice groups for their hard work and support. Your efforts help make BKR a valuable resource for all of our members throughout our region and around the world.



David Goldner, Chair
BKR Americas Regional Board

MESSAGE FROM THE ASIA PACIFIC REGIONAL CHAIR



2015 was another successful year for the region as we recruited four new member firms and increased our profile, both regionally and worldwide.

As a result of the support from the Worldwide Board and our Indian member firms, we have recruited three new member firms. They are: Rao & Emar, Bangalore, Pratapkaran Paul & Co., Chennai, and Natvarlal Vepari & Co., Surat. The current Indian firms have met and targeted certain cities in India and have commenced looking into prospective members in those cities. It is our plan to increase our membership in India by another three firms within the next year.

Continuing with the great support of our Shanghai member firms, we also recruited Fuyun (Fuzhou) Certified Public Accountants in Fuzhou, China. We plan to recruit two more firms in China by 30th June 2016.

The total number of the firms in China is seven and in India six. The region now has 33 member firms in 15 countries and 50 offices.

Following the successful visit to the University of Technology of Yogyakarta (UTY) in May 2014, Grant Allsopp (Sydney), Howard Rosen (Worldwide Chairman), and Stephen Roger (Sydney) were invited to speak at the University on 15th June 2015. These meetings have been arranged by Doli Siregar, managing partner at Doli, Bambang, Sulistyanto, Dadang & Ali, our Indonesian member firm. The seminar was attended by over 140 students and lecturers. Grant presented on IFRS and Howard and Stephen gave an update on BKR International. The Asia Pacific website - www.bkrasiapac.com - has some photos of our visit.

Our regional conference was held in Chengdu, China. Over 70 regional members and guests attended the meeting, together with members of the Worldwide Board. I would like to thank all the presenters for their informative presentations. The social events were superb, with an interesting visit to the Panda Research Centre, and an unforgettable Chinese mask changing show and lunch. Our gala dinner at a French restaurant whet our appetite for our Annual Worldwide Meeting in Paris. Our special thanks go to our Chengdu and Shanghai member firms that assisted in coordinating the conference.

The Tax Committee, under the chairmanship of Ramchand Jagianti (Singapore), meets regularly. With the support of all member firms in the region, the committee has been contributing articles to the website and the quarterly E-Update, providing relevant information for members on various tax matters.

The board encourages you to submit articles to our regional executive director, Stephen Roger, stephen.roger@bkrasiapac.com.au, to be uploaded onto the website. These articles may be about your firm, any marketing your firm has done, or details of legislation pronounced and major tax changes. If you have not already registered for access to the website, please do so immediately to be kept up to date on all BKR matters.

Jason Croston (Brisbane), chairman of the Regional Standards Committee, is continuing to keep members, both regional and worldwide, up to date on accounting and audit issues. The board has decided to cease producing the quarterly updates and instead will provide regular updates on the website.

The board is investigating producing marketing material for members to advise their clients, colleagues, and business contacts of their involvement in BKR International. We intend to launch this marketing material at our regional conference in Perth in May 2016.

Referral fees in the region continue to increase. I encourage members to advise the Executive Office every quarter of referrals received by and to them in the previous quarter, so the Worldwide Board may track them.

Arrangements are being finalised for our 2016 conference to be held at Crown Metropal Hotel, Burswood in Perth, on 6-9 May 2016. The program will include interesting and informative technical and general presentations. A cruise on the Swan River and a visit to a West Australian winery is planned. Our gala dinner on Saturday evening will highlight the sites of Perth and its culinary talents. We look forward to seeing members from around the world. Also while in Australia, please be sure to visit other cities and surrounding countries within the region.

I take this opportunity to thank all members of the committees, my board, and the Executive Office for their support and assistance during the year. I wish all members and their families a safe and happy holiday season and a successful 2016.



Sunny Ma, Chair
BKR Asia Pacific Regional Board

MESSAGE FROM THE EMEA REGIONAL CHAIR



2015 has been a year of change and a year of firsts in the EMEA Region. In July our Executive Director, Stephen Hamlet, moved on after five years and was replaced by Tim Morris, who joined us from NJHM Associates Limited, and comes with a wealth of international experience. In October, we held our first webinar, and, in December, we ran our inaugural Future Leaders Meeting.

This past year we added one new firm from Jersey in the Channel Islands and Euroglobal, Romania, has achieved full membership. Regrettably, two firms have left us, one in the Flemish region of Belgium and our firm from the Czech Republic.

Sub-regional events have continued. In the Middle Eastern Region, delegates again met in Dubai with member firms from Jordan, Lebanon, Iraq, Saudi Arabia, Turkey, and the UAE attending. This was followed by the Britain, Ireland and Guernsey (BIG) group meeting in London in March. The sub-regional meeting for Southern Africa took place in Pretoria, with delegates from our members in South Africa, Nigeria, Cameroon, and Mauritius.

The EMEA Regional Meeting took place in Stockholm in May. At the end of November, the Annual Tax Meeting took place in Amsterdam, attracting 33 delegates. Following, our region held its first Future Leaders Meeting, which attracted 27 younger members selected by their firms as the potential leaders of the future. They were given a day's intensive program from the Upward Spiral Partnership and senior partners to demonstrate what is expected from leaders of the future.

In October, BKR EMEA Region held its first webinar on transfer pricing, presented by Charles River Associates. Twenty-six members from both the EMEA and the Asia Pacific Regions participated in the webinar. We hope to use this technology more often, and are developing events for next year.

The use of the EMEA website continues to expand. There are regular tweets from the Executive Director and re-tweets from members' tweets. Videos have been produced from the EMEA meetings and events, and put on the YouTube site, all of which can be accessed through the EMEA website. With the help of our marketing consultant, the site has been reviewed and its usage monitored. By linking updates, meeting plans, agendas, and meeting papers to the site, usage should increase, and it will encourage members to use the site regularly. Both our EMEA E-Updates and Tax Newsletter continue to be produced on a quarterly basis and 'hung' on the website.

Looking ahead to 2016, we are planning to expand the marketing expertise available to members by holding webinars and, to build on the success of our Future Leaders Meetings, by developing complimentary leadership activities. If members have ideas as to what we can do to improve the service BKR EMEA Region provides, we would most welcome them.

The 2016 EMEA Regional Meeting will take place in Vienna in early June. I look forward to holding the meeting in this vibrant city, and the agenda promises to be exciting and original.

I would like to take this opportunity to wish you and your families season's greetings and the very best for the New Year.



Nilesch Shah, Chair
BKR EMEA Regional Board

2015 IAB WORLD SURVEY RESULTS

■ WORLD SURVEY 2015

ASSOCIATIONS: FEE DATA

Rank	Name	Fee income (\$m)	Growth rate (%)	Fee split (%)							Year-end
				Audit & accounting	Tax services	Management consulting	Corporate finance	Corporate recovery/insolvency	Litigation support	Other	
ASSOCIATIONS											
1	Privity*	4,364.1	7	49	22	30	1	1	1	16	n/a
2	LEA Global*	3,009.7	3	47	33	24	2	1	2	1	Dec-14
3	G2E Geneva Group International*	2,149.0	6	27	29	24	6	6	5	3	Dec-14
4	PrimeGlobal*	2,080.4	-15	53	26	8	2	1	2	8	May-14
5	BKR International*	1,400.0	3	56	31	-	-	-	-	13	Jun-14
6	AGN International* (1)	1,340.5	2	52	27	13	3	5	-	-	Mar-14
7	DFC International (2)	1,237.8	13	50	29	6	1	3	4	7	Sep-14
8	JAPA (3)	1,153.1	7	-	-	-	-	-	-	-	n/a
9	Morison International*	779.2	1	56	20	5	5	3	4	7	Dec-14
10	CFA Associates International*	646.0	-1	47	32	12	-	-	-	9	Oct-14
11	MSI Global Alliance*	604.3	-3	54	25	8	2	1	1	9	Dec-14
12	MGI*	536.1	-4	-	-	-	-	-	-	-	Jun-14
13	Allcott Group* (4)	431.0	-	26	52	8	3	2	2	7	Dec-14
14	KS International*	358.1	3	49	20	7	2	2	-	20	n/a
15	Integra International*	307.5	4	55	25	15	-	-	5	-	Jul-14
16	Enterprise Worldwide*	299.1	2	38	37	20	1	1	3	-	Dec-13
17	JHE Association*	295.9	-14	42	35	7	1	1	2	12	Dec-13
18	INFACT*	274.4	1	52	21	12	1	1	1	2	Dec-13
19	ANTEA*	246.9	4	45	27	24	2	1	6	5	Dec-14
20	EuraAudit International*	186.3	-22	52	36	21	3	3	-	5	Dec-14
21	GMN International*	172.7	-2	48	34	6.5	3	-	1.5	7	Sep-14
22	Parker Randall International*	136.3	1	55	25	15	5	-	-	-	Dec-14
23	UCACS GLOBAL*	57.3	2	69	29	12	-	-	-	-	Dec-14
24	Abacus Worldwide*	45.0	194	35	20	11	7	3	9	15	Dec-14
25	ACEE*	22.4	-7	51	31	-	-	-	4	34	Dec-14
Total revenue/growth		22,133.1	5%								
<p>Notes: (1) BKR International has changed its year-end and basis for measuring member revenue so such the fee income figure for 2013 has been restated. BKR International's litigation support fee income is included under corporate recovery/insolvency. (2) DFC International's 2014 fee income includes USD 3.7m earned by correspondent or affiliate member firms. (3) JAPA's total staff figure for 2014 includes data from the association's UK 2001 group; this data was not included in JAPA's 2013 total staff figures. (4) Allcott Group was not able to provide data for 2013. (5) October = 0; data from their most member firm or the inclusive member firm within a network/association is included. Data relating to correspondent and non-exclusive member firms is not included.</p> <p style="text-align: right;">Source: Deloitte Global Accounting Analysis</p>											

2016 MEETING SCHEDULE

February 25	Middle East Subregional Meeting Dubai, United Arab Emirates
March 12	South Africa Subregional Meeting Johannesburg, South Africa
March 21	BIG Subregional Meeting London, United Kingdom
May 6-9	ASIA PACIFIC REGIONAL MEETING Crown Hotel Perth, Australia
May 11-13	Leadership Institute Graduation Program Doubletree Metropolitan Hotel New York, New York, USA
May 20-24	AMERICAS REGIONAL MEETING Four Seasons Hotel Toronto, Ontario, Canada
June 4-6	EMEA REGIONAL MEETING Marriott Hotel Vienna, Austria
November 12-15	ANNUAL WORLDWIDE MEETING The Ritz-Carlton Santiago, Chile
December 5	Managing Partner Roundtables Hyatt Regency Orlando Airport Orlando, Florida, USA

MEMBER FIRM COUNTRIES

Albania	Hungary	Panama
Angola	India	Peru
Argentina	Indonesia	Philippines
Australia	Iraq	Portugal
Austria	Ireland	Puerto Rico
Azerbaijan	Israel	Romania
Bangladesh	Italy	Russia
Belgium	Japan	Saudi Arabia
Brazil	Jordan	Serbia
Bulgaria	Korea	Singapore
Cameroon	Kuwait	South Africa
Canada	Lebanon	Spain
Channel Islands	Liechtenstein	Sweden
Chile	Luxembourg	Switzerland
China	Malaysia	Taiwan
Colombia	Malta	Togo
Cyprus	Mauritius	Turkey
Denmark	Mexico	Ukraine
Dominican Republic	Montenegro	United Arab Emirates
Ecuador	Morocco	United Kingdom
Egypt	Nepal	United States of America
France	Netherlands	Uruguay
FYR Macedonia	New Zealand	Uzbekistan
Germany	Nigeria	Venezuela
Greece	Norway	Vietnam
Guatemala	Pakistan	
Honduras	Palestine	